

## REGULATIONS

### 2. Liability (Cont'd)

- 2.5 When the lines of local exchange companies (LECs) are used in establishing connection to points not reached by SWBT's lines, SWBT is not liable for any act or omission of the LECs.
- 2.6 SWBT is not liable for any defacement of or damage to the premises of a customer resulting from the furnishing of service components or the attachment of the service components furnished by SWBT on such premises or by the installation or removal thereof, when such defacement or damage is not the result of negligence of the agents or employees of SWBT.
- 2.7 The customer indemnifies and saves harmless SWBT against claims, losses or suits for injury to or death of any person or damage to any property which arises from the use, placement or presence of SWBT's network equipment, facilities and associated network wiring on the customer's premises.

### 3. Obligations of Customers

- 3.1 All ordinary expenses of maintenance and repair of SWBT-provided facilities and network equipment will be borne by SWBT, except, if damage to or destruction of any of SWBT's facilities or network equipment is caused by the negligence or willful conduct of the customer, its subsidiaries, affiliates, employees or agents; or by reasons of the equipment provided by the customer on the customer's side of the network interface. In case of damage to or destruction of any of SWBT's network equipment or facilities not due to ordinary wear and tear, the customer is held responsible for the cost of replacing SWBT's network equipment or facilities destroyed or for the cost of restoring SWBT's equipment to its original condition. The customer is also responsible for reimbursing SWBT for any loss through theft of the equipment or facilities on the customer's premises.
- 3.2 The customer shall provide, maintain and install all terminal equipment on the customer's side of the network interface associated with the Customer Specific Pricing Plan Service. The customer shall assure that the equipment does not cause electrical hazards to SWBT's personnel or damage the SWBT-provided facilities or equipment. The customer-provided equipment shall meet all applicable Federal Communications Commission's (FCC) Regulations and will allow for the testing of SWBT facilities.
- 3.3 Customers may not install, rearrange, disconnect, remove, or attempt to repair, or permit others to install, rearrange, disconnect, remove, or attempt to repair any wiring or network equipment associated with SWBT-provided facilities, except upon the written consent of SWBT.

CUSTOMER SPECIFIC PRICING PLAN TARIFF

Section: 2  
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REGULATIONS

3. Obligations of Customers (Cont'd)

- 3.4 When commercial power is used for the operation of SWBT's network equipment or facilities located at the customer's premises, the customer will provide the necessary power wiring, power outlets and commercial power. The customer assumes all responsibility for the safe condition of the power wiring, power outlets and commercial power.
- 3.5 The customer shall notify SWBT in writing 30 days prior to the discontinuance of any service provided under this tariff.
- 3.6 Service furnished one customer may be assumed by a new customer upon due notice of cancellation or abandonment, provided there is no lapse in service. The new customer must assume all the obligations of the previous customer. Such transfers are subjected to applicable nonrecurring charges.
- 3.7 The purpose or purposes for which the Customer Specific Arrangement is to be used must be made known to SWBT at time of application for service. In the event of a planned change in use of service, the customer will notify SWBT in writing prior to the change.
- 3.8 The customer is responsible for making SWBT's facilities available periodically for maintenance purposes at a time agreeable to both SWBT and the customer. No allowance will be made for the period during which the service is interrupted for such purposes.
- 3.9 The customer shall be responsible for the installation, operation and maintenance of any customer-provided terminal equipment or communications system. No combination of customer-provided terminal equipment or communications system shall require change in or alteration of the equipment or services of SWBT, cause electrical hazards to SWBT's personnel, damage to SWBT's equipment, malfunction of SWBT's billing equipment, or degradation of service to persons other than the user of the subject terminal equipment or communications system, his calling or called party. Upon notice from SWBT that a customer-provided terminal equipment or communications system is causing such hazards, damage, malfunction or degradation of service, the customer, authorized user or joint user shall make such change as shall be necessary to remove or prevent such hazard, damage, malfunction or degradation of service.
- 3.10 The customer shall be responsible for the payment of a nonrecurring Maintenance Service Charge of \$30.00 for each repair visit to a premises of the customer, authorized or joint user or the premises of any other customer where the service difficulty or trouble results from the use of equipment or facilities provided by the customer, authorized user or joint user.

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#### 4. Rights of SWBT

- 4.1 Where the customer uses unauthorized equipment, accessories, apparatus, circuit or device, he will be billed the amount specified in 3.9, precading, for each service call made to his premises or the premises of any other customer by reason of the use of such attachment or connection with facilities of SWBT. In addition, the customer will be held responsible for the cost incurred by SWBT for correcting any impairment of service caused by the use of such attachment or connection.
- 4.2 Facilities and network equipment furnished by SWBT located on the customer's premises shall remain the property of SWBT, whose agents and employees have the right to enter said premises at any reasonable hour for the purposes of installing, inspecting, maintaining or repairing the equipment or facilities and for the purpose of removing such facilities and equipment upon termination of the service.
- 4.3 At SWBT's option, a customer with a Customer Specific Pricing Plan arrangement may be required to execute a lease or agreement between SWBT and the customer, his affiliates and/or subsidiaries which may further define, explain, expand, limit or revise SWBT's rights and obligations and the customer's rights and obligations.

#### 4.4 Special Charges, Fees and Taxes

There shall be added to the customer's bill for service, an additional charge equal to the pro rata share of any occupation, franchise, business, license, excise, privilege or other similar charge or tax, now or hereafter imposed upon the gross receipts or revenue of SWBT by a municipal taxing body or municipal authority whether by statute, ordinance, law or otherwise, and whether presently due or to hereafter become due.

The charge applicable to each customer will appear separately on the customer's regular monthly bill and shall be determined on a basis equal to the tax levied by each municipal taxing body or municipal authority. The amount of charge to the customer shall be computed by dividing the tax expressed as a percentage by 100% minus the tax expressed as a percentage and multiplying the decimal thus obtained by the customer's service charges to which such tax applies as reflected by the following formula:

$$\left( \frac{\text{Tax } \%}{100\% - \text{Tax } \%} \right) \times \text{Service Charges Subject to Tax} = \text{Amount of Charge to Customer}$$

The amount of charge to the customer will be rounded to the nearest cent.

## REGULATIONS

### 4. Rights of SWBT (Cont'd)

#### 4.5 Surcharge

##### 4.5.1 General

A monthly surcharge of \$25.00 (\$25) applies to each interexchange voice grade equivalent service as follows:

- Two-Point Service - One charge is applicable.
- Multi-Point Service - One charge is applicable for each local channel in excess of one.

This surcharge compensates SWBT for use of the local exchange network when Private Line Service is connected to a PBX or equivalent device which is capable of connecting the Private Line Service with local exchange service. SWBT will automatically bill the appropriate surcharge on each voice grade equivalent service installed irrespective of whether the connection capability exists in the customer's premises equipment or in a Centrex CO-type switch unless the service is exempt from the surcharge as set forth in 4.5.2, following.

##### 4.5.2 Exceptions to the Surcharge Application

There are two means by which the customer may be exempted from the monthly surcharge. First, if the customer certifies that the Private Line Service is terminated in a device not capable of connecting the service with local exchange service, no surcharge will apply. Second, if the customer certifies that the Private Line Service is associated with a Switched Access Service in the same LATA that is subject to Carrier Common Line Charges, no surcharge will apply.

##### 4.5.3 Certification

The certification will be in the form of a written notification to SWBT. The notification may be provided (1) at the time the service is ordered, or (2) at such time as the service is reterminated to a device not capable of connecting to the local exchange network, or (3) at such time as the Private Line Service becomes associated with a Switched Access Service that is subject to Carrier Common Line Charges.

If a written certification is not received at the time an order for service is placed, the surcharge will be applied. Exempt status will become effective on the date certification is received by SWBT.

##### 4.5.4 Crediting the Surcharge

SWBT will cease billing the surcharge when certification that the service has become exempt from the surcharge as set forth in 4.5.3, preceding, is received. If the status of the service was changed prior to receipt of the exemption certification, SWBT will credit the customer's account based on the effective date of the change specified by the customer in the letter of certification.

President - Texas Division  
Southwestern Bell Telephone Company  
Dallas, Texas  
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## CUSTOMER SPECIFIC PRICING PLAN TARIFF

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## REGULATIONS

5. Use

- 5.1 Customer Specific Arrangements shall not be used for any purpose for which a payment or other compensation, shall be received by either the customer, authorized user or joint user, or in the collection, transmission, or delivery of any communications for others. (1)
- 5.2 Customer Specific Arrangements are furnished subject to the condition that they will not be used for any unlawful purpose. Service will be discontinued forthwith, if any law enforcement agency, acting within its apparent jurisdiction, advises in writing that such service or channels are being used in violation of law. SWBT will refuse to furnish service when it has reasonable grounds to believe that such service will be used in violation of the law.

(1) See Exception Footnote on Sheet 1 regarding MicroLink II - Packet Switching.

## REGULATIONS

### 6. Payment Arrangements and Credit Allowances

- 6.1 Applicants for service may be required to pay in advance of the establishment of service the nonrecurring charges applicable, together with any fixed charges applicable for the first month. The customer is responsible for payment of all charges for facilities and services furnished the customer or shared with an authorized user or joint user in accordance with SWBT's regular billing and collection practices.

Service may be discontinued for failure to furnish a suitable deposit when conditions appear to require SWBT to have such credit protection, provided SWBT has furnished five days written notice to the customer requiring the customer to furnish such a deposit.

- 6.2 Upon nonpayment of any sum due SWBT, or upon illegal use of any service, or upon a violation of any of the conditions governing the furnishing of a service, SWBT after five days written notice may discontinue the furnishing of said service and terminate the contract without incurring any liability.
- 6.3 When at the request of SWBT, a service is temporarily surrendered by the customer, authorized user or joint user for other than maintenance purposes, credit will be allowed; the amount of which will be determined in the same manner as for an allowance for interruptions.
- 6.4 In the event a customer's service is interrupted other than by the negligence or willful act of the customer, and it remains out of order for eight normal working hours or longer after access to the premises is made available and after being reported to be out of order, appropriate adjustments or refunds shall be made to the customer. The amount of adjustment or refund shall be determined on the basis of the known period of interruption, generally beginning from the time the service pro rata part of the month's flat-rate charges for the period of days and that portion of the service facilities rendered useless or inoperative. The refund may be accomplished by a credit on a subsequent bill for telephone service.
- 6.5 If billing for SWBT's utility services are found to differ from SWBT's tariffed rates, or if SWBT fails to bill the customer for such services, a billing adjustment will be calculated by SWBT. If the customer is due a refund, an adjustment shall be made for the entire period of the overcharges. If an overcharge is adjusted by SWBT within three billing cycles of the bill in error, interest is not applicable. However, if an overcharge is not adjusted by SWBT within three billing cycles of the bill in error, interest shall be applied to the amount of the overcharge as specified in Substantive Rule 23.45(g). The rate of interest is set annually by the Commission for a twelve-month period and is based on an average of prime commercial paper rates for the previous twelve-month period. (1)

(1) The rate of interest to be paid on customer deposits in accordance with Tex. Rev. Civ. Stat. Ann. Art. 1440a (Vernon 1989), and overbillings or underbillings in accordance with Commission Substantive Rule 23.45(g), are established annually on December 1 for the subsequent calendar year by the Commission, as reflected in the Order Setting Interest Rates included in this tariff.

## REGULATIONS

### 7. Special Construction

- 7.1 Rates and charges for special construction on Customer Specific Arrangements will be based on estimated cost incurred by SWBT and may include: (1) one-time service charges, (2) Maximum Termination Liabilities, (3) or combination thereof. Special construction rates and charges are in addition to rates and charges developed for the Customer Specific Arrangement.
- 7.2 Special construction for Customer Specific Arrangements is that construction undertaken:
- 7.2.1 Where facilities are not presently available and there is no other requirement for the facilities so constructed.
- 7.2.2 In advance of the normal construction on an expedited basis.
- 7.2.3 On a temporary basis until permanent facilities are available.
- 7.3 No charge applies where special construction has been started prior to cancellation and it is determined by SWBT there is another requirement for the facilities.
- 7.4 No charge applies where the applicant cancels an application for service prior to the start of special construction of facilities.
- 7.5 Where special construction on the Customer Specific Arrangement has been started prior to customer cancellation, and there is no other requirement for the specially constructed facilities, a charge equal to the costs incurred in the special construction, less net salvage, applies; except that where one or more, but not all, of the services involved in the special construction are canceled, a charge equal to the cost, less net salvage, incurred for the discontinued services applies instead. Net salvage is determined based on the value of reusable material, less cost of removal. In determining the charge, each canceled service is treated as discontinued as of the date on which it was to have been placed in service.
- 7.6 Special construction of facilities for a customer is considered to have started when SWBT incurs any expense which would not otherwise have been incurred; provided: (1) the customer has advised SWBT to proceed with the installation, or (2) SWBT has advised the customer that in accordance with his order, it is commencing the installation.

President - Texas Division  
Southwestern Bell Telephone Company  
Dallas, Texas  
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## CUSTOMER SPECIFIC PRICING PLAN TARIFF

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## REGULATIONS

**8. Public Utility Commission Notification**

SWBT will provide the Commission with a letter of notification of those Customer Specific Arrangement Proposals, which have been accepted by a customer, at least 35 days prior to initiation of the service. The letter of notification will include the following:

- Customer name and location.
- Type of service to be provided.
- The applicable rates and Maximum Termination Liabilities.

SWBT, when requested by the Commission, will provide the documentation necessary to support the development of a particular Customer Specific Arrangement Proposal.

**9. Payment Options**

SWBT will offer the following payment options to customers subscribing to Customer Specific Arrangements:

**9.1 Option One**

A payment option that allows the customer to pay monthly recurring rates and charges, subject to SWBT-initiated change, plus a nonrecurring charge. A Maximum Termination Liability Contract or minimum billing period will apply in those cases when, in the judgment of SWBT, there are nonrecoverable costs involved if the customer should discontinue service prior to the expiration of the lease period. These charges will be developed according to the guidelines established for Special Construction.

**9.2 Option Two**

A payment option that allows the customer to pay a fixed monthly rate for the Customer Specific Arrangement over a period not to exceed 60 months. Customers subscribing to this plan are subject to the following additional regulations:

- Customers must sign a lease for service which will remain in effect during the selected Fixed-Rate Term.
- During the lease term, the Fixed Rates are not subject to rate increases initiated by SWBT. Services not covered by the Customer Specific Arrangement lease remain subject to SWBT-initiated rate changes.
- Monthly recurring rates may be recovered through an up-front payment calculated through current present worth factors.
- A Maximum Termination Liability Contract or minimum billing period will apply in those cases when in the judgment of SWBT, there are nonrecoverable costs involved if the customer should discontinue service prior to the expiration of the lease period term.



## REGULATIONS

### 9. Payment Options (Cont'd)

#### 9.2 Option Two (Cont'd)

- Additions to the Customer Specific Arrangement, after the initial service installation has been completed, will be considered a new arrangement, subject to considerations in Paragraph 9, unless otherwise specified in the initial customer's lease.
- Moves of Customer Specific Arrangements provided under this payment option will be performed only when technically feasible in the opinion of SWBT and based on the cost incurred.
- The customer may, at its option prior to the expiration of the existing lease, renew the lease for an additional period not to exceed 60 months. This will include the signing of a new lease. The customer will pay the newly determined plan rate at that time for the lease period.
- At the conclusion of the selected monthly plan lease, the customer must elect one of the following, subject to the payment option available at that time:
  - Convert to another existing payment option, based on the terms, conditions and rate levels that will be determined at that time.
  - Renew the lease at the terms, conditions and rate levels that will be determined for the new contract period.
  - Discontinue the service.

If the customer does not notify SWBT which option it elects by the lease expiration date, service will continue at monthly rates set in accordance with the payment option stated in 9.1, preceding.

President - Texas Division  
Southwestern Bell Telephone Company  
Dallas, Texas  
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## CUSTOMER SPECIFIC PRICING PLAN TARIFF

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## REGULATIONS

9. Payment Options (Cont'd)9.3 Option Three

A payment option which allows the customer to pay combined Fixed and Variable monthly rates. The customer will pay the sum of both a Fixed and Variable rate for a term of 36, 48, 60, 84 or 120 months. At the conclusion of the Fixed-Rate Term, the customer will be required to renegotiate the Fixed Rate for an additional period of 36, 48, 60, 84 or 120 months or discontinue the service. The Variable rates will apply as long as the service is provided. Customers subscribing to this payment option are subject to the following additional regulations:

- Fixed monthly rates are not subject to SWBT-initiated changes during the existing Fixed-Rate Term.
- Variable rates are subject to SWBT-initiated changes. A review of these rates will occur at least every 24 months or as specified in the customer contract for the customer specific arrangement.
- The customer will be required to sign a lease for service which specifies the terms of the payment option.
- Monthly recurring rates may be recovered through an up-front payment, calculated through current present worth factors.
- A Maximum Termination Liability Contract or minimum billing period will apply in those cases when in the judgment of SWBT, there are nonrecoverable costs involved if the customer should discontinue service prior to the expiration of the lease period term.
- Additions to the Customer Specific Arrangement, after the initial service installation has been completed, will be considered a new arrangement subject to Paragraph 9, in effect at the time of the addition, unless otherwise specified in the initial customer's lease.
- Moves of Customer Specific Arrangements provided under this payment option will be performed only when technically feasible in the opinion of SWBT and based on the cost incurred.

10. Distance Learning

Components of customer-specific contracts used predominantly for distance learning purposes will be rated as specified in Substantive Rule §23.93(e).

(N)

(N)

**SWBT's Individual Case Basis Procedures**

To obtain DS3 service in Kansas, Missouri and Oklahoma, a customer contacts his/her Service Representative, Communications Consultant or Design Consultant and requests the number of DS3s he/she requires. At this time, an agreement (contract) is entered into between SWBT and the customer (see attached sample contract) for the provision of DS3.

HOLDEN BUSINESS FORMS - ST. LOUIS, MISSOURI 63104-5748

5748

Southwestern Bell  
Telephone

Retention Period-See J.P. 47

SW-1000  
(Rev. 10-88)Agreement For The Provision Of Digital Transport Service  
CASE # \_\_\_\_\_

This agreement is entered into by and between Southwestern Bell Telephone Company (hereinafter "Seller") and \_\_\_\_\_ (hereinafter "Buyer"), for the provision of the service (hereinafter "Service"), described on Exhibit A hereto, which is incorporated herein for all purposes.

- Seller will install and maintain a \_\_\_\_\_ its Service from \_\_\_\_\_ to \_\_\_\_\_.  
Seller agrees to provide Service for a term of \_\_\_\_\_ months commencing on the date testing by Seller is complete and the service is available for use by the buyer. Seller will give Buyer at least five (5) days advance notice, by telephone, of test date. At no additional charge, Seller will, at Buyer's request, cooperatively test at the time of installation the parameters applicable to the Service as specified in this Agreement. All test results will be made available to Buyer upon request. Buyer's failure to participate in the test shall not delay commencement of the term of this Agreement.
- (a) Buyer agrees to pay Seller, during the above term, a monthly recurring charge of \_\_\_\_\_ and at the commencement of said term a one-time charge of \_\_\_\_\_. These rates \_\_\_\_\_ be subject to Seller initiated increases for a period of \_\_\_\_\_ months; the rates will be subject to any order of the Federal Communications Commission (FCC), state regulatory commissions, or any other applicable governmental regulatory authority.  
(b) In the event that the Service is terminated by the Buyer prior to the end of the term of this Agreement, Buyer agrees to pay Seller full payment based on the number of months remaining on the contract times the last authorized monthly rate discounted by the Seller's \_\_\_\_\_ rate of return on average net plant.
- Alteration by the Buyer of any technical parameter specified in exhibit A for the Service, without the prior written permission of Seller, shall terminate this Agreement and Buyer will be subject to the termination charges described in paragraph 2, (b) above.
- Seller will use its best effort to install and test the Service to meet the Buyer's requested service date of \_\_\_\_\_.
- The network interface for the Service shall be Lightwave Distribution Frame, the DSK Panel or other appropriate connection as provided by Seller within the building where the Service is terminated, and Buyer may attach his equipment at this point.
- (a) Seller shall exclusively repair and maintain the Service up to and including the network interface. Maintenance of the Service shall be at Seller's expense, except if required because of negligent or willful conduct of the Buyer, its subsidiaries or affiliates, or any other person using the Buyer's facilities which are connected to Seller's facilities, or because of the equipment provided by Buyer or by any other person on the Buyer's behalf, which equipment is connected to Seller's facilities on the Buyer's side of the network interface. In such event, Buyer shall pay Seller cost of labor and material as determined in the normal course of business in accordance with Seller's cost accounting system. Provided, however, if the charge for any work operation is specified in a Seller Tariff filed with the governmental regulatory commission with jurisdiction over the subject matter, the work operation will be billed at the Tariff rate.  
(b) Buyer shall assure that the equipment it provides does not cause hazards to Seller's personnel, or cause damage to or require modification of Seller's equipment or facilities. Buyer shall provide to Seller access to the Buyer's originating and terminating locations of the Service as described in paragraph 1, above.
- Seller and Buyer will take reasonable precautions in the location, construction and maintenance of their facilities so as not to interfere with the Service or facilities furnished by the other.
- No subsequent Agreement between Buyer and Seller concerning the Service shall be effective or binding unless it is made in writing. No representation, promise, inducement or statement of intention has been made by either party which is not embodied hereto.
- Notices under this agreement shall be addressed as follows:

Buyer:

Seller:

The effective date of any notice under this Agreement shall be the date of receipt by the addressee.

- The failure of either party hereto to give notice of default, or to strictly enforce or insist upon compliance with any of the terms or conditions of this Agreement, the waiver of any term or condition of this Agreement, or the granting of an extension of time for performance, shall not constitute the permanent waiver of any term or condition of this Agreement. This Agreement and each of its provisions shall remain at all times in full force and effect until modified by the parties in writing.
- This Agreement is subject and subordinate to the rules and regulations of \_\_\_\_\_ in addition to all rules and regulations of any other applicable governmental regulatory authority.
- Neither party shall be liable to the other or any third parties claiming through or for such party and indirect, special or consequential damages even if advised of the possibility of such damages.
- Neither party shall assign or otherwise transfer its rights or obligations under this Agreement except with the prior written consent of the other, said consent not to be unreasonably withheld; provided, however, each party shall have the right to assign this Agreement to any present or future affiliate, subsidiary or parent corporation of such party, without securing the consent of the other party and may grant to any such assignee the same rights and privileges such assigning party enjoys under this Agreement. Any attempted assignments not asserted to in the manner so prescribed herein shall be void.
- In the event either party shall be in breach or default of any terms, conditions or covenants of this Agreement, and said breach or default shall continue for a period of ten (10) days after the giving of written notice to the defaulting party thereof, or if said breach or default is not capable of being cured within said 10 day period and the defaulting party shall not commence the cure within said period or shall not thereafter diligently prosecute to completion the curing of such breach or default, then in addition to all other rights and remedies at law or in equity, the non-defaulting party shall have the right to cancel this Agreement.
- Buyer agrees to submit to Seller all advertising, sales promotion, press releases and other publicity matters relating to the material furnished or the service performed by Seller under this Agreement wherein Seller's name or marks are mentioned or language from which the connection of said names or marks therewith may be inferred or implied and Buyer further agrees not to publish or use such advertising, sales promotion, press releases, or publicity matters without Seller's written approval, which approval shall not be unreasonably withheld, delayed or conditioned.
- This Agreement shall be effective as of the date of execution by Seller.
- This Agreement shall be a contract under and governed by the laws of the State of \_\_\_\_\_.
- This Agreement sets forth the entire understanding of the parties and supersedes any and all prior agreements, arrangements or understandings relating to the Service.

IN WITNESS WHEREOF, the parties hereby execute this Agreement.

SOUTHWESTERN BELL TELEPHONE COMPANY

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Date \_\_\_\_\_

Marketing Copy